

2017-2018 BUDGET QUESTION

Response to Request for Information

DEPARTMENT: Financial Services - Purchasing

REQUEST NO.: 188

REQUESTED BY: Kitchen

DATE REQUESTED: 9/7/17

DATE POSTED: 9/8/17

REQUEST: Please explain the fiscal and performance impact for the increase of a 0.5 position included in the FY 2018 Proposed Budget.

RESPONSE:

The Purchasing Office consists of the Contract Services and Procurement activities and is reorganizing staff for FY 2017-18. Drivers in the Contract Services activity's budget increase are the salary differential between the two groups of positions that are being reorganized and adjustments for wage and insurance. In FY 2016-17, there were nine employees assigned to Contract Services, with one employee charging 50% of their time between both Purchasing activities, for a total of 8.5 positions. In FY 2017-18, a total of 4.5 positions, whose duties primarily involve contract renewals, are being moved into the Procurement activity to better align duties being performed within Purchasing's two activities, and another 5.0 positions that were in the Procurement activity in FY 2016-17 are being transferred into Contract Services to better focus on Citywide contracts and strategic initiatives. Therefore, the Purchasing Office is not actually increasing its workforce by 0.5 positions. Performance measure targets for Contract Services are remaining consistent in FY 2017-18 because there is essentially no contractual budget increase, just personnel budget adjustments.

Additionally, because the Contract Services activity is budgeted in the Support Services Fund, any proposed budget reductions would only provide savings to the General Fund at about half of the total proposed reduction. For example, reducing the budget of Contract Services to the FY 2016-17 level of \$748,480 from the FY 2017-18 proposed level of \$949,116 would not realize savings of \$200,636 to the General Fund. Instead, the General Fund would realize about \$100,318 in savings, and the other \$100,318 would be posted to enterprise and internal services funds.